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Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)

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Report of the Secretary-General

Summary

The United Nations Human Settlements Programme (UN-Habitat) has made significant progress in strengthening the United Nations Habitat and Human Settlements Foundation pursuant to the requests of the General Assembly to enable the Foundation both to support the activities of UN-Habitat and to mobilize resources to complement efforts by Member States to provide affordable shelter, infrastructure and basic services. A three-year pilot project for the Slum Upgrading Facility has been launched. UN-Habitat expanded its efforts at the country level to build the capacity of Member States to achieve the Millennium Development Goal targets on slums and to respond to demand for disaster mitigation and post-conflict humanitarian assistance and reconstruction. Based on a collaboration agreement with the United Nations Development Programme, UN-Habitat placed 32 national Habitat Programme Managers to bring human settlements issues into the mainstream in national development strategies. The monitoring and research activities of the Programme have been adjusted to support the efforts of Member States to monitor the implementation of the targets concerning slums in the Millennium Development Goals and to analyse policies and prepare flagship reports that will enable Governments and other Habitat Agenda partners achieve those targets. UN-Habitat published the *State of the World's Cities 2004*, and the *Global Report on Human Settlements* for 2005, on the theme of financing urban shelter.

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As the Programme of the United Nations responsible for coordinating the implementation of the Habitat Agenda and for assisting Member States achieve the targets set forth in the Millennium Declaration, UN-Habitat has created forums for global networking and established strategic partnerships. The second World Urban Forum was successfully held in Barcelona, Spain, in September 2004. Plans are under way to celebrate the thirtieth anniversary of the Habitat Conference by holding the third session of the World Urban Forum in Vancouver, Canada, in June 2006. The Global Campaign for Secure Tenure and the Global Campaign on Urban Governance were launched in over 10 countries within the framework of the Millennium Development Goal targets and the Programme of Implementation of the World Summit on Sustainable Development, with follow-up actions being initiated to build local capacities. Water and sanitation programmes in least developed countries in the Great Lakes region of East Africa and the Mekong Delta of South-East Asia have been launched under the Water and Sanitation Trust Fund. The report concludes with a set of recommendations.

Contents

		Paragraphs	*Page*
I.	Introduction	1	3
II.	Progress made in the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)	2–35	3
	A. Institutional context and operating environment	2–10	3
	B. United Nations Habitat and Human Settlements Foundation	11–16	5
	C. Technical assistance and cooperation at the country level	17–22	6
	D. Monitoring and research	23–26	8
	E. Global networking and partnerships	27–33	9
	F. Advocacy, tool development and capacity-building	34–35	11
III.	Conclusions and recommendations	36–41	12

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 59/239 of 22 December 2004, entitled "Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat).

II. Progress made in the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)

A. Institutional context and operating environment

1. The Millennium Development Goals

2. The Millennium Development Goals have served during the reporting period as powerful vehicles for giving focus to the work of UN-Habitat and for harmonizing the collective efforts of United Nations organizations and Member States to eradicate poverty. This is particularly so for the development of human settlements, where the preferred approach is, by necessity, multisector, multiactor and integrated — and where coordination is all the more imperative.

3. The living and working conditions of urban slum-dwellers have historically been a peripheral concern of the international community. The advent of the seventh Millennium Development Goal, however, has changed this situation, elevating the issue significantly. International organizations and Member States, together with other Habitat Agenda partners, are increasingly coming to terms with the mammoth challenge of dealing with rapid, poorly managed urbanization and the consequential proliferation of unplanned, unserviced slums and informal settlements. Target 10 to reduce by half the persons living without safe drinking water and sanitation, and target 11 to improve the lives of at least 100 million slum-dwellers by the year 2020, as well as working to achieve the objective of "cities without slums" — are increasingly featured in the national development agenda of many Member States. Some Governments have established trust funds for slum upgrading, while others have instituted national policies and programmes with a view to offering the urban poor security of tenure and a role in decision-making as genuine development partners.

4. That said, not all countries have embraced the significance of the slum targets and the catalytic role embodied in the goals of the United Nations Millennium Declaration. Unlawful forced evictions and demolitions remain a bad practice of many Member States. Rather than consult with slum-dwellers and engage in a process of shared responsibility for relocation and resettlement and rather than recognize the urban poor as a feature of the new urban economy with a need to be empowered, there remains an unrealistic hope for the urban poor that they will simply return to their rural areas. The adamancy underlying these regressive views underscores the challenges and important role ahead for UN-Habitat. Now more than ever, it will be crucial to advance a normative agenda through the Global Campaign for Secure Tenure and the Global Campaign on Urban Governance, to

offer practical policy alternatives supported through peer exchange and the exchange of lessons learned from best practice and to back advocacy with technical assistance that ensures investment follow through.

2. In-depth evaluation

5. During the reporting period, the Office of Internal Oversight Services carried out an in-depth evaluation of UN-Habitat. The evaluation report will serve as an excellent tool to strengthen the management and performance of UN-Habitat, in the light of the heavy responsibility placed on the newly transformed programme to respond appropriately to the serious challenges posed by rapid urbanization. At its forty-fifth session, in June 2005, the Committee for Programme and Coordination expressed satisfaction with the recommendations made by the Office, noting the report's overall positive assessment of UN-Habitat and supporting the very important work conducted by the Programme, particularly in implementing the Millennium Development Goals.

6. The Committee for Programme and Coordination agreed with the main critical finding of the Office of Internal Oversight Services, that UN-Habitat needed to sharpen its focus and narrow its scope of activities. Additional recommendations of the Office included to accelerate the recruitment of a Deputy Executive Director in order to support the Executive Director in promoting the work of the Programme externally, administering the United Nations Habitat and Human Settlements Foundation and enhancing coordination among subprogrammes. UN-Habitat has since made progress on recruiting a Deputy Executive Director and anticipates filling the position within the calendar year.

7. The in-depth evaluation by the Office of Internal Oversight Services embraced the findings of a separate external evaluation on the Global Campaign for Secure Tenure and the Global Campaign on Urban Governance. It called for greater linkage between the advocacy instruments and other programmes and advisory services of UN-Habitat and for increased core funding for the global campaigns. The Office further recommended an increase in the regular budget resources for UN-Habitat, promulgating the operating rules of the Foundation and for the Programme to become a full participating member of the Inter-Agency Standing Committee.

3. Commission for Sustainable Development

8. UN-Habitat successfully contributed to the preparations for and deliberations of the Commission on Sustainable Development at its thirteenth session. At its twentieth session, in April 2005, the Governing Council of UN-Habitat deliberated on the issues that would be considered by the Commission pertaining to water, sanitation and human settlements — the three pillars of sustainable development. These deliberations resulted in the adoption by the Council of its resolution 20/20, entitled "Thirteenth session of the Commission on Sustainable Development". The Council also adopted a summary by the President of the Governing Council. The Executive Director presented the summary of the President to the Commission at its high-level segment.

9. The Commission embraced the core message of the Governing Council that the issues of water and sanitation should be integrated into a broad-based framework on human settlements. It acknowledged the significance of the urban dimension of poverty reduction, recognizing the need for a multisector, multiactor, integrated

approach to human settlements development. In addition, the Commission advanced understanding on the strategic links between sustainable human settlements and sources of energy, the central theme of the Commission at its fourteenth and fifteenth sessions.

10. Resolution 13/1 adopted by the Commission at its thirteenth session, inter alia requests UN-Habitat as the focal agency for human settlements, to facilitate, in close collaboration with relevant United Nations organizations and programmes as well as other partners, effective global monitoring of progress in the implementation of human settlements goals and targets, as well as measures agreed at the thirteenth session of the Commission concerning human settlements.

B. United Nations Habitat and Human Settlements Foundation

11. UN-Habitat made significant progress in strengthening the Foundation, pursuant to the requests of the General Assembly to enable the Foundation both to support the activities of the Programme and to mobilize resources to complement efforts by Member States to provide affordable shelter, infrastructure and services. The Foundation serves two purposes: it is a repository of voluntary earmarked and non-earmarked contributions by Member States for the implementation of the work programme of UN-Habitat; and, since 2004, it is a special vehicle designed to assist Member States in mobilizing public and private capital for follow-up investment.

1. Voluntary contributions to UN-Habitat

12. UN-Habitat launched an aggressive campaign to solidify its financial base to carry out and improve the delivery of its approved work programme. The total voluntary contributions to the Foundation increased by almost 30 per cent, from $26 million in 2003 to $33 million in 2004. Two multi-year funding agreements were signed with major donors. In addition, donors have been encouraged to sign multi-year partnership agreements, in order to provide more predictable soft earmarked funding for major thematic priorities of the work programme and better to respond to demands by Member States.

13. Of the total voluntary contributions to the Foundation, non-earmarked contributions rose from $8.3 million in 2003 to $10.5 million in 2004, while earmarked contributions rose from $17.2 million to $22.2 million during the same period. While commendable progress has been made in resource mobilization, there is still a major imbalance between earmarked and non-earmarked contributions. Furthermore, approximately 75 per cent of the non-earmarked contributions came from five donors, indicating a need to broaden the donor base.

14. The twentieth session of the Governing Council took note of these challenges and called upon Governments and other Habitat Agenda partners to increase their contributions to the Foundation and to give priority to non-earmarked, multi-year funding to support the Executive Director in her efforts to broaden the donor base of the Programme. In addition, the Executive Director was requested to develop an overarching resource-mobilization strategy, taking into account options pursued by other United Nations bodies for broadening the donor base and, in particular, encouraging non-earmarked contributions.

2. Human Settlements Financing

15. During the reporting period, UN-Habitat officially launched its newest subprogramme, the Human Settlements Financing Division, providing the Foundation with an operational platform for mobilizing resources at the country level for shelter, infrastructure and basic services. Significant progress was made in establishing the Slum Upgrading Facility, a technical assistance and seed-capital vehicle for attracting domestic capital investments for slum upgrading, including raising $1.8 million for the design phase and $10 million for a three-year pilot phase, with an additional amount of $10 million pledged. The scope of the Facility during the initial three-year pilot phase includes East Africa, West Africa, South Asia and South-East Asia and constitutes one of the most innovative strategies adopted by UN-Habitat. When fully functional, the Slum Upgrading Facility will provide follow-up assistance to ongoing pre-investment activities carried out under the Programme's technical cooperation activities (see paras. 17-22, below). It will accomplish this by enabling cities, slum-dwellers, financial intermediaries, Governments and the financial service sector to package their upgrading projects in ways that will attract private investment. It will also make available to local actors, bridging finance and credit enhancements that can catalyse domestic capital, thereby augmenting community savings and public investment. The work of the Facility is essential to field-test financial instruments and approaches, such as loan guarantees and special purpose vehicles in emerging market economies where domestic capital is plentiful but the means to harness it scarce. UN-Habitat will implement the Facility by combining in-house political and technical expertise on slum upgrading with the support of an international service contractor, recruited through competitive bidding, specializing in investment and project finance.

16. Significant progress was made in working in parallel with international financial institutions. These partners include the World Bank group and regional development banks (see paras. 27-33, below), as well as GuarantCo, a loan guarantee facility of the Private Infrastructure Development Group that has expressed interest in ring-fencing 20 per cent of its funds for pilot projects initiated by the Slum Upgrading Facility. Further, UN-Habitat has strengthened inter-institutional relations with the Development Credit Authority of the United States Agency for International Development and is exploring co-financing support to slum upgrading initiatives in Ghana and Uganda. Additional work with international financial institutions includes opportunities for support from the Canada Mortgage and Housing Corporation and a number of private foundations.

C. Technical assistance and cooperation at the country level

17. UN-Habitat continued to expand the technical assistance it provides to over 80 Governments in two broad areas of intervention: building the capacity of Member States to achieve the Millennium Development Goals and responding to demands for disaster mitigation and post-conflict reconstruction. Contributions to its technical cooperation activities increased considerably, from $15.2 million in 2003 to $52.5 million in 2004. The funding was predominantly for reconstruction and disaster mitigation activities at the country level from a variety of donors. The Special Human Settlements Programme for the Palestinian People in support of human settlements development in the occupied Palestinian territories has to date been capitalized with an amount of slightly over $1.5 million since its

establishment. Efforts to mobilize additional financial resources towards the full capitalization of $5 million are continuing. UN-Habitat has requested additional resources from the regular budget in its budget submission for the biennium 2006-2007, which includes two additional Professional level posts.

1. Support to Member States for the implementation of the Millennium Development Goals

18. The type of support provided by the Programme for local implementation of the Millennium Development Goals has included a combination of advocacy, country assessment, policy advice, capacity-building, project demonstration and field-testing of approaches and instruments. Technical assistance of this kind has been directed at organizations of slum-dwellers, support non-governmental organizations, local authorities, private service providers and utility companies, and departments of central Government, with emphasis on ministries of lands, housing, local government, construction and water. Substantive inputs to local actors range from land administration to demand-based water management, participatory planning, urban crime and safety and inclusive urban management. The advent of the new subprogramme has resulted in the expansion of local actors to include retail banks, cooperative savings associations, housing microfinance institutions, as well as ministries of finance and in the expansion of substantive inputs to include investment, housing and project finance.

2. Post-conflict humanitarian assistance and reconstruction

19. UN-Habitat recently became a member of the Executive Committee for Humanitarian Affairs. It has contributed its experience in disaster mitigation and post-conflict assistance in Afghanistan, Iraq, Timor-Leste, Liberia, the West Bank and Gaza, countries affected by the Indian Ocean tsunami and the Sudan. In these countries and regions, the Programme has sought to promote shelter and urban issues. For example, in the humanitarian crisis in the Darfur region of the Sudan, the Programme has, in its work with the United Nations country team, stressed the massive influx of migration to Khartoum resulting from the conflict. Preliminary analysis indicates that most of the internally displaced persons will remain in Khartoum after the crisis in Darfur subsides, with significant social, political and economic implications for the city. UN-Habitat has also introduced shelter policy elements into post-disaster and post-conflict situations at the early stages of humanitarian assistance rather than later during the reconstruction phase when policy interventions may be less effective. The United Nations organizations and Member States have found this contribution especially helpful in situations where land policies and zoning and building standards determine how and where affected populations recover from human or natural disasters. Specific technical assistance provided by UN-Habitat has included training and capacity-building for ministries and line agencies in charge of disaster prevention and management; identification of disaster prone areas and formulation of mitigation strategies; rapid response to post-disaster and post-conflict situations and sustained technical assistance to post-conflict reconstruction efforts.

3. Coordination and regional support

20. UN-Habitat has provided technical assistance to Member States to implement the Millennium Development Goals and to respond to human and natural disasters

by coordinating its efforts with other organizations of the United Nations system. Through a memorandum of understanding with the United Nations Development Programme, it has placed national Habitat Programme Managers in 32 countries. These experienced professionals with in-depth knowledge of local conditions are contributing to bringing human settlements issues into the mainstream in national agendas and promoting an urban dimension to poverty reduction strategy papers, the United Nations Development Assistance Framework and the World Bank Country Assistance Strategies.

21. Human settlements officers working in regional offices of UN-Habitat have played a vital role in back-stopping operations at the country level and supporting the work of Habitat Programme Managers. The regional offices in Fukuoka, Japan (for Asia and the Pacific), Rio de Janeiro, Brazil (for Latin America and the Caribbean) and Nairobi (for Africa and the Arab States) also work closely with the United Nations economic and social commissions for Asia and the Pacific, Latin America and the Caribbean and Africa, respectively.

22. During the reporting period, UN-Habitat contributed to a report by the Economic Commission for Africa that has identified rapid urbanization as a key challenge for Africa. The Programme has also worked closely with the New Partnership for Africa's Development to advance the urban agenda. Emphasis has been placed on national polices for urban development, shelter and slum upgrading.

D. Monitoring and research

23. UN-Habitat has adjusted its monitoring and research activities to support the efforts of Member States to monitor the implementation of the Millennium Development Goals and to analyse policies and practices that will enable them to achieve the targets.

1. Monitoring activities

24. Urban indicators, initially developed to monitor the implementation of the Habitat Agenda, were revised in line with the goals of the Millennium Declaration and all data collected since 2004 is disaggregated by gender. Strategic partnerships at the global and national levels were established to strengthen the capacity of national bureaux of statistics to collect data on urban indicators and inform urban policy in 11 countries in Africa and Asia. Work on the documentation and dissemination of best practices in improving the living environment reached a new milestone, with over 2,000 peer-reviewed practices from 140 countries currently available online, while a new methodology was successfully field-tested and applied in 10 countries in Africa, Asia and Latin America for the participatory assessment of pro-poor, gender-sensitive urban policies and legislation in support of the attainment of the Millennium Development Goals. Other outputs include strategic guidelines for working with civil society organizations and youth; materials on advocacy for women's rights to land; a handbook on gender mainstreaming in human settlements; a guide to community-based housing finance credit schemes and a number of case studies on financing low-income housing. Seminal research was undertaken in analysing urban economic conditions, rural-urban linkages and effective strategies for improving urban self-employment and livelihood for the urban poor.

September 2004, under the theme of cities as crossroads of culture. Through a set of structured dialogues among various Habitat Agenda partners, significant attention was paid to the Millennium Declaration, with special emphasis on progress made in achieving target 10 under goal 7 on water and sanitation and target 11 under goal 7 on improving the lives of at least 100 million slum-dwellers by the year 2020. The Forum attracted 4,389 participants, including Government officials (17.7 per cent), local authorities (16.4 per cent), non-governmental organizations (21.2 per cent), United Nations entities (4.1 per cent), professional and research institutions (8 per cent) and the private sector (8 per cent). A range of initiatives and best practices were showcased by 60 exhibitions from all over the world. The Forum consisted of dialogues among partners on urban culture, urban realities, urban governance and urban renaissance, as well as thematic discussions on urban poverty, urban resources, urban sustainability, urban services, and urban disasters and reconstruction. The whole event was characterized by vibrant exchanges. Distinguished participants included former presidents Mikhail Gorbachev and Martti Ahtisaari, Jeffrey Sachs and the late Prime Minister of Lebanon, Rafic Hariri, who was presented with a special citation of the Habitat Scroll of Honour for his visionary role in the reconstruction of post-conflict Lebanon. Evaluation of the World Urban Forum by participants was very positive. The third World Urban Forum will be held in Vancouver, Canada, in June 2006 on the occasion of the thirtieth anniversary of the first United Nations Conference on Human Settlements, which gave birth to the United Nations Human Settlements Programme.

2. Multilateral development institutions

29. The World Bank group is one of the main partners of UN-Habitat in improving the living and working conditions of the urban poor. During the reporting period, the Executive Director of UN-Habitat and the President of the World Bank held consultations and agreed to establish a cooperation agreement to provide greater coherence to urban development interventions at the country level. Emphasis was placed on ways to promote housing finance and urban development more squarely in the national development agenda, including in the Country Assistance Strategy used by the World Bank to establish investment programming and poverty reduction strategy papers. In addition, the World Bank and UN-Habitat carried out a number of activities under their joint Cities Alliance programme, with 10 bilateral development agencies and associations of local authorities. The Cities Alliance provides small grants that support the formulation of city development strategies and citywide slum upgrading initiatives. In Egypt, Morocco, the Philippines, the United Republic of Tanzania and Yemen, working within the Cities Alliance, the World Bank and UN-Habitat are collaborating to strengthen local government authorities, help in the emergency reconstruction of urban infrastructure, initiate and sustain labour-intensive municipal public works, formulate city development strategies and set up urban indicators databases. The members of the Cities Alliance also played a crucial role in supporting the development of the UN-Habitat Slum Upgrading Facility, mobilizing financial contributions through a trust fund of the World Bank dedicated to that purpose.

30. UN-Habitat also signed agreements with the Asian Development Bank, the Inter-American Development Bank, and the African Development Bank for joint projects and programmes for water, sanitation, housing and urban development, focusing on improving the living conditions of the urban poor. These agreements

have led to substantial programme collaboration, for example on the Water for Asian Cities programme, which provides a pipeline of $10 million in grants from the Asian Development Bank and UN-Habitat for the first two phases and $500 million in Asian Development Bank loans for water and sanitation projects in cities across Asia. Negotiations with the African Development Bank for a similar facility are at an advanced stage. The partnerships have leveraged additional funding from the Government of the Netherlands.

South-south cooperation

31. A key tool in attaining the targets of the Millennium Declaration, particularly the slum, water and sanitation targets, is south-south cooperation. While two decades ago the effectiveness of south-south cooperation may have been limited, many developing countries have since acquired substantial technical and policy expertise. UN-Habitat is bringing the use of such expertise into the mainstream throughout its normative and operational activities.

32. UN-Habitat is a strong and committed advocate for peer learning and problem solving. At a high level, UN-Habitat actively supports and participates in regional ministerial meetings on housing, land and urban development in Latin America, Africa and Asia. The African Ministers Conference on Housing and Urban Development took place in 2005 in Durban, South Africa, as a joint undertaking by UN-Habitat, the African Union and the Government of South Africa. Ministers agreed to carry the Conference forward in a biennial series of ministerial meetings to be convened in Nairobi on the occasion of the biennial sessions of the Governing Council of UN-Habitat. For its part, the African Union at its annual meeting held in the Libyan Arab Jamahiriya in June 2005, formally accepted the Conference and affirmed sustainable urbanization as a policy priority. The African Union further called upon UN-Habitat and the United Nations Environment Programme to support development and effectiveness of the Conference. A similar high-level meeting was held in Latin America during the reporting period and one is scheduled in Asia for 2006.

33. UN-Habitat has also supported peer learning at the city level, sponsoring exchanges, workshops, training and field trips among cities (for example, Addis Ababa; Arusha; Dar es Salaam; Durban, South Africa; Cuba; Manila; Medellin, Colombia; Mumbai; Nairobi; Johannesburg, South Africa; and United Republic of Tanzania). These activities involved city authorities and community leaders, including those from slums, to ensure cross-fertilization between urban poor communities regarding community mobilization strategies, negotiation practices for access to land, community-based savings and strategies for citywide slum upgrading. Topics of recent city-to-city cooperation sponsored by UN-Habitat include land law, land tenure, women's security of tenure, local government training, city environmental profiles, best practices, safety and justice and the use of information and communication technology.

F. Advocacy, tool development and capacity-building

1. Security of tenure

34. During the period under review, the Global Campaign for Secure Tenure was successfully launched in five countries in West Africa and Latin America and the

Caribbean. Preparatory activities were initiated in eight additional countries. Memorandums of understanding were signed with three countries in East Africa, while cooperation agreements were concluded with five other countries to promote slum upgrading. The Land Tool Network, a global network of land tool developers, was established as a practical follow-up action to campaign advocacy. Work was carried out on law and land review in three regions and lessons learned from peer-reviewed best practices were fed into the campaign. The International Advisory Group on Forced Evictions, an international task force to facilitate negotiated policy alternatives to unlawful eviction, was established resulting in the creation in several countries of a post of housing rights officer. Progress was made in implementing the Water for African Cities and Water for Asian Cities programmes. This included regional and national consultations in the Great Lakes region of Africa and the Mekong Delta and technical assistance to community-led initiatives for improving water and sanitation. Consultations on water for Eastern European cities were initiated, while training and capacity-building for water supply management was carried out in eight countries. The period also saw the inception of the Cities Without Slums Subregional Programme for Eastern and Southern Africa, facilitating cooperation between slum-dwellers and city governments in Ethiopia, Kenya, Lesotho, Malawi, Mozambique, South Africa, Uganda and the United Republic of Tanzania.

2. Urban governance

35. The Global Campaign on Urban Governance was launched in Burkina Faso, Cuba, Mexico, Morocco and Senegal. Follow-up support on the application of inclusive urban governance was provided to African and South Asian countries. The international association United Cities and Local Governments held a unification congress in 2004 and draft guidelines on decentralization and strengthening of local authorities were prepared and widely disseminated. UN-Habitat has strengthened its relationships with local authorities and their associations through a cooperation agreement signed in September 2004 with United Cities and Local Governments and the establishment of an Advisory Group of Experts on Decentralization. The efforts by UN-Habitat to promote pro-poor, gender-sensitive policy tools to improve urban governance have led to high demand by local authorities for training and advisory services. Considerable inroads were made in environmental planning and management in Africa and South Asia. Work on the strategy for addressing shelter problems for women and orphans affected by HIV/AIDS in informal settlements is ongoing in East Africa.

III. Conclusions and recommendations

36. **The consequences of rapid urbanization, combined with poor urban governance, weak economic growth and HIV/AIDS, have reached crisis proportions in cities and urban areas of much of the developing world, especially in Africa. The sustainability of cities, highlighted by the slum target of the Millennium Development Goals, has become a key challenge for the international community.**

37. **Cognizant of this crisis, the General Assembly transformed UN-Habitat into a programme of the United Nations system and called for the strengthening of the United Nations Habitat and Human Settlements Foundation. An**

aggressive campaign has been launched by the secretariat of UN-Habitat to fulfil its role and mandate as a full-fledged programme through internal organization enhanced by an in-depth evaluation by the Office of Internal Oversight Services, through external engagements of the World Urban Forum and through partnerships with the United Nations Development Programme, the World Bank and other international organizations.

38. Slum upgrading provides a unique opportunity for attaining the Millennium Development Goals. Security of tenure and improvements in shelter, water and sanitation have automatic knock-on effects in terms of health and nutrition, gender equality and the empowerment of women, and reduction of vulnerability to HIV/AIDS and other diseases. Both the crisis of rapid urbanization and the unique opportunity presented by slum upgrading for the attainment of the Millennium Development Goals call for Governments to adopt, as a matter of urgency, pro-poor, gender-sensitive urban policies and action plans, as called for in the Habitat Agenda.

39. Governments in a position to do so are encouraged to strengthen the United Nations Habitat and Human Settlements Foundation by providing non-earmarked, predictable funding and regular budget resources for its core programme activities.

40. Governments and financial institutions are encouraged to contribute generously to the Water and Sanitation Trust Fund, the Slum Upgrading Facility and other technical cooperation trust funds to enable UN-Habitat to mobilize public investment and private capital for shelter and basic services.

41. Governments are encouraged to support the normative and operational activities of UN-Habitat, working with Habitat Programme Managers to promote slum upgrading, affordable shelter and sustainable urbanization.